



# CITY OF HOUSTON

FINANCE DEPARTMENT  
Strategic Procurement Division

**Sylvester Turner**

Mayor

John Gillespie  
Chief Procurement Officer  
P.O. Box 1562  
Houston, Texas 77251-1562

P. 832.393.9126  
<https://purchasing.houstontx.gov>

June 9, 2016

Subject: Letter of Clarification No. 3  
Transmission, Allison Rebuilt and Repair Parts

Reference: Invitation to Bid (ITB) No.: S40-S25708

To All Prospective Bidders:

This Letter of Clarification is issued for the following reasons:

- To revise the above referenced solicitation as follows:
  1. In Section B, page 13 of 26, **add** "attached page 13a of 26, marked revised June 9, 2016."
  2. In Section B, page 6 of 26, **replace** page 6 with the "attached page 6 of 26, marked revised June 9, 2016."
  3. In the ITB, all references to City Purchasing Agent are changed to Chief Procurement Officer.

- To answer the following questions:

1. Question: *"For the transmissions that have out of date/old style parts, does the City want those transmissions updated to most recent, and if so, will the City require the supplier to re-flash and reprogram the TCM's?"*

Answer: *"An estimate will be required and provided to the City for making a decision on a case by case basis. The re-flash and reprogram of the TCM must be provided in the estimate."*

2. Question: *"For the transmissions which have out of production/old style parts, does the City want the supplier to use aftermarket parts? (Some parts are no longer available in new genuine, preventing vehicles from being flashed and reprogrammed.)"*

Answer: *"Aftermarket part(s) may be used if the OEM part is no longer available. In the estimate, it must state whether the aftermarket part will affect the flashing or reprogramming of the TCM."*

**Council Members:** Brenda Stardig   Jerry Davis   Ellen R. Cohen   Dwight A. Boykins   Dave Martin   Steve Le   Greg Travis   Karla Cisneros   Robert Gallegos  
Mike H. Laster   Larry V. Green   Mike Knox   David W. Robinson   Michael Kubosh   Amanda Edwards   Jack Christie

**Controller:** Chris Brown

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3. Question: *"Will the City require transmissions to be dyno tested on TES295 or allow dyno testing on ATF?"*

Answer: *"Either is acceptable."*

4. Question: *"What type of dyno report is acceptable?"*

Answer: *"PC generated or PDF is preferred."*

5. Question: *"Will a suppliers remanufactured transmission be acceptable where an Allison ReTran transmission is no longer available?"*

Answer: *"A written estimate must be provided outlining the warranty of the suppliers remanufactured transmission when there is no Allison transmission available."*

6. Question: *"Some transmissions and/or parts are no longer supported by Allison such as the AT/MT and WTECII? May the supplier use aftermarket parts in those transmissions only?"*

Answer: *"Yes, with the approval of the Fleet Management Department."*

7. Question: *"Will the City provide a list of serial numbers, assembly numbers, and applications of the transmissions?"*

Answer: *"Yes."*

8. Question: *"Will the City provide an estimate of the number of vehicles with Allison transmissions and the model of transmission associated with each?"*

Answer: *"Yes."*

9. Question: *"Will the City provide a quantity estimate for the part numbers related to Allison transmissions for the part numbers provided on the bid (allows for volume discounting by supplier)?"*

Answer: *"No. The information provided for questions 7 and 8 will be the gauge used by the supplier to provide volume discounting."*

10. Question: *"Will a searchable PDF or Microsoft EXCEL document be accepted for a price list?"*

Answer: *"Yes, provided the document is in a secure format."*

11. Question: *"If a manufacturer's price list is not available, may the supplier create and provide a price list?"*

Answer: *"No."*

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12. Question: *"What is the City's requirement for flashing TCM/ECM modules on vehicles? Does the City require same day service, or is it three (3) days upon delivery of the PO?"*

Answer: *"If available, same day service is preferred, but not to exceed three (3) business days."*

13. Question: *"Will storage of equipment or vehicles be permitted inside a secured property with camera and security system(s)?"*

Answer: *"Yes."*

14. Question: *"For the training requirement, is it necessary to have an agenda, documentation and material?"*

Answer: *"Yes."*

15. Question: *"If the supplier offers a two year warranty on remanufactured transmissions, is this acceptable over the bid document requirement of twelve months?"*

Answer: *"Yes."*

16. Question: *"If Allison Transmission warranty is six (6) months on its parts, would the City require the supplier to warrant these parts longer than the manufacturer's warranty?"*

Answer: *"No."*

17. Question: *"Will the City be using Allison TranSynd on all Allison transmissions or use ATF and TranSynd?"*

Answer: *"TranSynd."*

18. Question: *"For the vehicles or equipment with Allison transmissions, will the City be cleaning and servicing the transmission coolers?"*

Answer: *"Yes."*

19. Question: *"Regarding serial numbers and other information, how will the transmission warranty be tracked?"*

Answer: *"The City's Fleet Management Department will maintain mileage and hours records."*

20. Question: *"What provision is allowed for price increases regarding Group II of the bid document?"*

Answer: *"See the addition of page 13a to the Invitation to Bid Document."*

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21. Question: *"With Allison no longer providing price catalogs or electronic price lists, how are suppliers to provide price list documentation to the City?"*

Answer: *"Allison does offer pricing for the exchange transmissions specified for the Fire Department transmissions."*

22. Question: *"Section B, Articles 1.5 and 1.7 - In order to supply "exchange" transmissions for the Fire Department, would the City provide every Allison transmission assembly number in City of Houston fire trucks? A seven day turnaround would be more realistic and give the time needed to build the transmission unit needed."*

Answer: *"Any assembly numbers required for the Fire Department apparatus will be provided to the winning bidder upon request. Less than major failures should be able to be handled in the less than three business day time requirement."*

23. Question: *"Section B, Article 4.0, what would require six hour delivery service and who would pay for the service? The three day delivery of transmissions is not realistic for reasons stated in question 22."*

Answer: *"The six hour delivery service shall be deleted. The three day requirement will remain unchanged for Fire Department units for reasons stated above."*

24. Question: *"Section B, Article 8.0 – Allison only gives six month warranty on new parts, not one year as requested. What is expected of the supplier?"*

Answer: *"Allison offers a two year, unlimited mileage warranty on its rebuilt transmissions. The one year warranty requirement will remain unchanged in the award for the "exchange" transmissions specified in the award for the Fire Department apparatus."*

25. Question: *"Section B, Article 9.2 – Five day turnaround on warranty repairs in most cases is not feasible. If there is a failure that requires the transmission to come out, it takes a day to take it out, 2 ½ - 3 days to rebuild and dyno, and another day to install and test drive. That process cannot take place until we have a bay available to work in. Minimum expectation should be seven business days. What is expected of the supplier?"*

Answer: *"Warranty repairs will remain at five business days. If the warranty repair cannot be completed in the five business days, then a second replacement transmission shall replace the defective transmission."*

26. Question: *"Section B, Article 12.0 – Allison only gives six month warranty on new parts, what is expected of the supplier?"*

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Answer: *"The genuine Allison replacement transmission carries a two year unlimited mileage warranty. Therefore, the genuine Allison rebuild two year warranty shall remain as stipulated."*

27. Question: *"Section B, Article 18.0, what performance tests are you referring to other than the dyno done at completion of build?"*

Answer: *"Dyno testing is the only test requiring documentation. However, all available Allison updates should be applied to each transmission unit prior to the unit returning to the city."*

28. Question: *"Section B, Article 28.0, can liquidated damages be assessed after seven business days?"*

Answer: *"The five day business requirement shall remain as stipulated."*

29. Question: *"Section B, Article 30, how would a supplier be able to adjust price list parts pricing in future years of the contract when manufacturers no longer provide price lists/catalogs or electronic price lists?"*

Answer: *"A manufacturer's price list will have to be provided."*

30. Question: *"Section C, Article 11.0, are Safety Data Sheets required?"*

Answer: *"No, if not applicable."*

31. Question: *"Section C, Article 24.0, we the supplier receive a six month warranty on new parts, yet the article requires a minimum 12 month warranty. What does the City expect of the supplier?"*

Answer: *"The two year warranty on Allison rebuilt units shall remain as stipulated."*

32. Question: *"Will the City delete Section B, Article 9.2 for penalty charges?"*

Answer: *"No."*

33. Question: *"Will the City delete Section B, Article 28.0 for liquidated damages?"*

Answer: *"No."*

34. Question: *"Will the City delete Section C, Article 1.3 for month to month extension?"*

Answer: *"No."*

35. Question: *"Will the City delete Section C, Article 25.0 for release terms?"*

Answer: *"No."*

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36. Question: *"Will the City revise Section C, Article 36.1 for termination for convenience?"*

Answer: "No."

37. Question: *"Will the City add a new General Term & Condition adding a limitation of liability statement as follows:*

**TO THE MAXIMUM EXTENT PERMITTED BY LAW, NEITHER SUPPLIER NOR CITY SHALL HAVE ANY LIABILITY TO THE OTHER FOR ANY INCIDENTAL, RESERVOIR, SPECIAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF USE, REVENUES, PROFITS OR OTHER OPPORTUNITIES, ARISING FROM THE PURCHASE OR SALE OF GOODS OR SERVICES, THE USE, OPERATION OR CONSUMPTION OF THE GOODS OR SERVICES, ANY BREACH OF WARRANTY OR THE FAILURE OF EITHER PARTY TO FULLY PERFORM ANY AGREEMENT TO PURCHASE OR SELLGOODS OR SERVICES, AND EACH PARTY WAIVES THE APPLICATION OF ANY DECEPTIVE TRADE PRACTICES OR CONSUMER PROTECTION LAW.**

Answer: "No."

This Letter of Clarification will be considered part of the solicitation referenced on the first page of this document. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Procurement Division and the applicable City Department(s).

Furthermore, it is the responsibility of each BIDDER to obtain any previous Letter(s) of Clarification associated with this solicitation.

  
Jeff Meekins  
Procurement Specialist  
Strategic Procurement Division  
(832) 393-8743

JM:DRH:jm

Cc: Pam Scott FMD  
File

TECHNICAL SPECIFICATIONS FOR TRANSMISSION, ALLISON REBUILT AND REPAIR PARTS FOR THE FLEET MANAGEMENT DEPARTMENT, CONTINUED:

**31.0 PRICE ADJUSTMENT (LINE ITEMS):**

31.1 Direct Cost:

In this section means Supplier's cost from the manufacturer of any item or if Supplier is the manufacturer, the cost of raw materials required to manufacture the item, plus costs of transportation from manufacturer to Supplier and Supplier to the City.

31.2 Price Decreases:

31.2.1 If the Supplier's Direct Cost **decreases** at any time during the full term of this award, Supplier shall **immediately** pass the decrease on to the City and lower its prices by the amount of the decrease in Direct Cost.

31.2.2 Supplier shall notify the Chief Procurement Officer of price decreases in the same way as for price increases set out below. The price decrease shall become effective upon Chief Procurement Officer's receipt of Supplier's notice.

31.3 Price Increases:

31.3.1 Suppliers may request a price increase after twelve (12) months from the bid opening date of the bid received by the City Secretary of the City of Houston. Subsequent price increases may be requested twelve (12) months from the date of the previous approved price increase. The amount of the first increase shall not exceed actual documented increase in Supplier's Direct Cost and shall not ever be more than **5 %** above the previous bid price. The amount of the subsequent price increase shall also not exceed this percentage.

31.3.2 To request a price increase, Supplier must submit a letter setting the amount of the increase, along with an itemized list of any increased prices, showing the Supplier's current price, revised price, the actual dollar difference and the percentage of the price increase by line item. Documentation from the Supplier's supplier(s) showing the actual dollar increase to the Supplier must accompany this request. Such documentation from the Supplier's supplier must clearly show the dollar increase incurred by the Supplier on the applicable solicitation per item bid. The letter and documentation shall be sent to the following address:

**Chief Procurement Officer  
City of Houston  
P.O. Box 1562  
Houston, Texas 77251**

31.3.3 If the Chief Procurement Officer approves the price increase, he or she shall notify Supplier in writing; no price increase will be effective until Supplier receives this notice. If the Chief Procurement Officer does not approve Supplier's price increase, Supplier may terminate its performance upon **sixty (60) days** advance written notice to the Chief Procurement Officer. Termination of performance is Supplier's only remedy if the Chief Procurement Officer does not approve the price increase.

31.3.4 If, at any time after approving a price increase, the Chief Procurement Officer determines that the City can obtain the same item at a lower price from a different source without violating the State bid laws, the City may then purchase the item from the lower price source without any obligation to the Supplier.

**SECTION B**  
**CITY OF HOUSTON**  
**TECHNICAL SPECIFICATIONS FOR**  
**TRANSMISSION, ALLISON REBUILT AND REPAIR PARTS**  
**FOR THE FLEET MANAGEMENT DEPARTMENT**

ON THE E-BID, GROUPS 1 THROUGH 3 ON THE ELECTRONIC BID FORM WILL BE AWARDED TO ONE SUPPLIER.

**1.0 OEM PARTS AND SERVICE:**

- 1.1 The specifications call for genuine original equipment manufacturer (OEM) Allison replacement parts and genuine OEM Allison reconditioned replacement parts and certified OEM Allison technicians completing repair and warranty work.
- 1.2 The Fleet Management Departments reserves the right to supply such parts from existing inventory when in its best interest.
- 1.3 This specification covers transmission, rebuilt, repair parts, labor and service on automobiles, commercial vehicles, trucks, tractors and construction equipment with gasoline or diesel engines.
- 1.4 Supplier's substitution/alternative price list must include all replacement parts included on the current Allison Transmission Parts Price Schedule.
- 1.5 The Fire Department would like to exchange their Allison transmissions for "rebuilt" Allison transmissions. They are not interested in sending existing transmissions in for repair and having the existing/original units returned.
- 1.6 Supplier shall provide letter from manufacturer stating that the vendor is authorized to rebuild, exchange or repair Allison transmissions.
- 1.7 Supplier shall deliver to the City "exchange" units within three days ARO. "Exchange" units shall be in accordance with OEM's specifications.
- 1.8 All transmissions exchanged must be remanufactured and Dyno tested on a transmission dynamometer. All components/parts placed (new, used, refurbished or rebuilt) into the Fire Departments emergency vehicles pertaining to the Allison transmission will be the OEM (Original Equipment Manufacturer) certified components/parts. A dynamometer test print-out must be furnished with every transmission exchange.

**2.0 SERIAL NUMBERS:**

The serial number of each transmission sold to the City must be recorded on the delivery ticket and invoice. The serial number of each transmission turned in by the City as an exchange, must be recorded on the delivery ticket and invoice. Delivery tickets without serial numbers will not be processed. Invoices without serial numbers will not be paid.

**3.0 VEHICLE STATUS REPORT:**

The supplier shall email a status report to the Fleet Operations Section of the Fleet Management Department, ATTN: Kristian Harper at [kristian.harper@houston.tx.gov](mailto:kristian.harper@houston.tx.gov) detailing the status of all vehicles in its possession twice weekly with report being submitted no later than 1:00PM on each Wednesday and Friday.

**4.0 DELIVERY:**

The Supplier agrees to make deliveries only upon receipt of duly signed and approved Purchase Orders issued by the City of Houston Purchasing Agent. Delivery made without such Purchase Order shall be at Bidder's risk and shall leave the City the option of canceling any award implied or expressed herein. Delivery of any transmission shall be made within a three (3) working day period.